



Office of Utility Regulation

Electricity Licence Conditions

Document No: OUR 02/04

January 2002

Office of Utility Regulation
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OFFICE OF THE DIRECTOR GENERAL OF UTILITY REGULATION

Licence issued to

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under Section 2(1) of

THE ELECTRICITY (GUERNSEY) LAW, 2001

The Director General, in exercise of the powers conferred on her by The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, grants to the Licensee a Licence to:

1. Generate electricity for the purpose of giving a supply to any premises or enabling a supply to be so given,
2. Convey electricity for that purpose in that person's Authorised Area as designated in this licence, and
3. Supply electricity in that person's Authorised Area as designated in this licence.

This license applies to the area within the confines of Guernsey and is subject to the Conditions, all lawful directions of the Director General and all applicable laws, rules, regulations and Ordinances of the States of Guernsey.

DATED

**SIGNED BY THE DIRECTOR GENERAL OF
UTILITY REGULATION**

CONDITIONS

1. DEFINITIONS AND INTERPRETATION

1.1 A word or expression that is used in the Licence and the Conditions and is also used in the Electricity (Guernsey) Law, 2001 or the Regulation of Utilities (Bailiwick of Guernsey) Law 2001, has, except where the context otherwise requires, the same meaning in the Licence and the Conditions that it has in the relevant Law. In addition, the expressions set out below have the meanings given to them below:

"**Associated Company**" in relation to the Licensee, shall be construed in accordance with section 23(5)(a) of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000;

"**Conveyance Business**" means the licensed conveyance business of the Licensee and any associated company of the Licensee in the conveyance of electricity;

"**Conveyance Licence**" means a licence granted under Section 2(1)(a)(ii) of the Electricity Law;

"**Conveyance Licensee**" means the holder of a licence to convey electricity under Section 2(1)(a)(ii) of the Electricity Law;

"**Conveyance System**" means the system which is owned and operated by the Conveyance Licensee and which consists (wholly or mainly) of electric lines and electric plant and which is used for conveying electricity from a generating station to a substation, from one generating station to another or from one substation to another (but shall not include any such lines which form part of the supply system);

"**Electricity Law**" means the Electricity (Guernsey) Law, 2001;

"**Electricity Undertaking**" means any person engaged in the generation, conveyance or supply of electricity;

"**Generation Business**" means the licensed generation business of the Licensee and any associated company of the Licensee in the generation of electricity;

"**Generation Licence**" means a licence granted pursuant to section 2(1)(a)(i) of the Electricity Law;

"**Generation Unit**" means any plant or apparatus for the production of electricity;

"**Licence Commencement Date**": means the date on which this Licence is signed by the Director General;

"**Licence Fee**": means the fee prescribed by the Director General under sections 3(3) and 6 of the Electricity Law and payable by the Licensee;

"**Licensee**" means [];

"**Licensee's Supply System**" means all electric lines of the Licensee within the Licensee's authorised area (excepting lines forming part of the conveyance system) and any other electric lines which the Licensee may, with the approval of the Director General, specify as being part of the Licensee's supply system, and includes any electric plant, meters, transformers and switchgear of the Licensee and which is used for supplying electricity to premises;

"Power Purchase Agreement" means a contract for the provision of the whole or any part of the available capacity and/or the sale or other disposal of the whole or any part of the output of a Generation Unit or combination of Generation Units;

"Public Supply Licensee" means a person licensed to supply electricity under Section 2(1)(a)(iii) of the Electricity Law.

"Regulation Law" means the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001

"Representation" includes any objection or any other proposal made in writing;

"Supply Business" means the licensed supply business of the Licensee and any associated company of the Licensee in the supply of electricity;

"Supply Licensee" means a person licensed to supply electricity under Sections 2(1)(a)(iii) or 2(1)(a)(iv) of the Electricity Law.

"Term": means, subject to Condition 10, a period of fifteen years from the Licence Commencement Date;

1.2 In the Licence and these Conditions, unless the context indicates a contrary intention:

- (a) references to Conditions, paragraphs and subparagraphs are to Conditions, paragraphs and subparagraphs of the Conditions, as varied from time to time in accordance with the Conditions;
- (b) a document will be incorporated into and form part of the Conditions if it is referred to in the Conditions and reference to such a document is to that document as varied from time to time;
- (c) headings used for Conditions, paragraphs and subparagraphs are for ease of reference only and will not affect the interpretation of the Conditions;
- (d) references to any law, rule, regulation, Ordinance or other legal instrument includes any modification, re-enactment or legislative provisions substituted for the same;
- (e) use of the word "includes" or "including" should be construed as being without limitation; and
- (f) the masculine gender shall include the feminine and neuter, and the singular shall include the plural, and vice versa, and words importing persons shall include firms or companies.

PART I: ESTABLISHMENT AND ENFORCEMENT

2. SCOPE OF THE LICENCE

2.1 This Licence authorises the Licensee to:

- (a) generate electricity for the purpose of giving a supply to any premises or enabling a supply to be so given, subject to the Conditions of this Part I, Part III and, if applied by direction by the Director General, Part II;
- (b) convey electricity for that purpose in that person's Authorised Area as designated in this licence, subject to the Conditions of this Part I, Part IV, and if applied by direction by the Director General, Part II, and
- (c) supply electricity in that person's Authorised Area as designated in this licence subject to the Conditions of this Part I, Part V, and, if applied by direction by the Director General, Part II.

2.2 The Licence is personal to the Licensee and the Licensee shall not:

- (a) sub-license, assign or grant any right, interest or entitlement in the Licence nor transfer the Licence to any other person; or
- (b) sell or pledge any of its assets which are necessary to provide any electricity network which the Licensee is obliged to provide under this Licence, unless such assets are immediately replaced with equivalent assets,

without the prior written consent of the Director General. The Director General shall not unreasonably withhold consent.

This Condition 2.2 does not apply to:

- (i) a mortgage or other transaction entered into for the purpose of securing borrowings of the Licensee or an Associated Company, being borrowings for the purpose of the Generation Business, the Conveyance Business, the Supply Business, the electricity network, or the provision thereof or anything incidental thereto, or
- (ii) a transfer, assignment or other disposal of an interest in assets under an arrangement whereby the Licensee retains the use and benefit of such assets for the remainder of the useful life of such assets and for the duration of the Licence, or
- (iii) a transfer, assignment or other disposal of assets made in the ordinary course of business.

2.3 Subject to condition 7, the Licensee shall notify the Director General of the occurrence of any of the following:

- (a) any fact or event likely to materially affect the Licensee's ability to comply with any Condition;
- (b) an insolvency-related event in respect of the Licensee or an Associated Company of the Licensee, or any preparatory steps being taken that might lead to an insolvency-related event,

immediately upon the Licensee becoming aware of the event, and the Director General may direct the Licensee to do or refrain from doing such things as she considers necessary to ensure compliance with the Conditions.

2.4 The Licensee shall notify the Director General:

- (a) of any proposed Change of Control of the Licensee forthwith upon the Licensee, or its Chairman, Chief Executive Officer, Chief Operating Officer or director becoming aware of the proposed Change; and
- (b) in any event, on the occurrence of any Change of Control of the Licensee, within thirty days of that event.

2.5 The Director General may:

- (a) approve the proposed change or the change in writing;
- (b) disapprove the proposed change or the change in writing, giving reasons; or
- (c) approve the proposed change or change subject to the Licensee accepting a modification of the Licence under section 8 of the Electricity Law,

and, or in addition to the above measures, the Director General may issue such directions to the Licensee or invoke any of the sanctions, penalties or remedies in the Law or the Licence as the Director General considers necessary or appropriate.

In taking action under this condition, the Director General may have regard to whether or not the Director General would have awarded the Licence to the Licensee had the Change of Control taken effect prior to the award.

2.6 In this Condition 2, “**Control**” shall mean direct or indirect possession of any power or right that enables a person or a group of persons to direct, or cause the general direction of, the management or policies of the Licensee by any means and in any event, a person or a group of persons shall be deemed to Control the Licensee if:

- (a) he or they exercise or control the exercise of fifty-one per cent or more of the votes able to be cast at general meetings of the Licensee on all, or substantially all, matters; or
- (b) he or they are able to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all matters or is able to appoint or remove a majority of the governing body of the Licensee; or
- (c) he or they exercise or control the exercise of fifty-one per cent or more of the partnership or other ownership interests of the Licensee,

and, in each case, reference to the Licensee shall include any person or group of persons who Controls the Licensee in any of such ways, and “**Change of Control**” shall mean any change as a result of which any other person or group of persons acquires Control.

2.7 The Licensee shall supply to the Director General, in relation to itself and any Associated Company which Controls the Licensee:

- (a) a copy of its annual return on the same date on which it is required to be filed in accordance with the Companies (Guernsey) Law 1994;
- (b) a copy of its annual report and accounts on the same date on which it is circulated to the shareholders of the relevant body corporate; and

- (c) where the relevant body corporate is not incorporated in the Bailiwick, any returns, reports, accounts or other information under the laws of any applicable jurisdiction which are, in the opinion of the Director General, analogous or equivalent to the above, at such times and in such forms as the Director General directs from time to time.
- 2.8 The Licensee shall comply with any other requirement in law or practice to obtain any additional consents, permissions, authorisations or licences as may be necessary to carry on the Conveyance Business, the Generation Business, or the Supply Business as the case may be or for the establishment, operation and maintenance of the electricity network and for the exercise of its rights or discharge of its obligations under this Licence.
- 2.9 The Licensee shall ensure that:
- (a) the administration and management of the business associated with the establishment, maintenance and operation of the electricity network and the Conveyance Business, Generation Business and the Supply Business as the case may be shall be conducted from the Bailiwick; and
 - (b) its business is conducted on a normal commercial basis and at arm's length from the business of any of its shareholders or Associated Companies.

3. LICENCE FEE

- 3.1 The Licensee shall pay the Licence Fee in the manner directed by the Director General.
- 3.2 Without prejudice to any other remedies of the Director General under this Licence or the Laws, if the Licensee fails to pay any amount due to the Director General under this Condition 3 by the due date, the unpaid amount will accrue interest daily from the due date to the date of payment at three percentage points above the published base rate of the Bank of England.

4. PROVISION OF INFORMATION

- 4.1 For the purpose of monitoring the Licensee's compliance with the Conditions and the Laws, the Licensee shall provide to the Director General in the manner and at the times required by the Director General, any documents, accounts, returns, estimates, reports or other information required by the Director General, including the documents, accounts, returns, estimates, reports and other information specified in this Licence.
- 4.2 The Director General may require an examination, investigation or audit of any aspect of the Licensee's business relating to the Generation Business, the Conveyance Business and the Supply Business or its compliance with the Conditions, the Electricity Law and the Regulation Law, and the Licensee shall provide any assistance requested by the Director General in relation to any such examination, investigation or audit. The Director General may issue directions with regard to the manner in which such examination, investigation or audit is carried out.
- 4.3 In particular, the Director General may authorise a person to carry out an examination, investigation or audit or may require the Licensee to arrange for an independent examination, investigation or audit of any aspect of the Licensee's Generation Business, Conveyance Business or Supply Business to ensure compliance with the Conditions. The Licensee shall allow the Director General's authorised representative to attend at, enter and inspect any premises under the Licensee's or any of its Associated Companies' control, and to take copies of any documents and to acquire any information in the control of the Licensee or any of its

Associated Companies, as may be required in order to carry out the examination, investigation or audit.

- 4.4 The Licensee shall bear all reasonable costs associated with any examination, investigation or audit conducted under this Condition 4.

5. COMPLIANCE

- 5.1 In addition to the Conditions, the Licensee shall comply with:

- (a) any obligation imposed on it by the Regulation Law, the Electricity Law or by any other law, regulation, rule or Ordinance; and
- (b) any direction duly issued by the Director General under the Regulation Law, the Electricity Law, or by any law, any regulation, rule, Ordinance or this Licence.

6. MODIFICATION

- 6.1 The Director General may from time to time modify, revoke or add to any condition in this licence. Any modification, revocation or addition to the Conditions shall be made in accordance with section 8 of the Electricity Law and any other requirements under any applicable law.

7. EXCEPTIONS AND LIMITATIONS ON THE LICENSEE'S OBLIGATIONS

- 7.1 If the Licensee is prevented from performing any of its obligations under this Licence because of force majeure:
- (a) the Licensee shall notify the Director General of the obligations it is prevented from performing as soon as reasonably practicable; and
 - (b) the Director General may suspend those obligations and the Licensee will not be liable to perform those obligations, for so long as the force majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at its expense through the use of alternate sources, work-around plans or other means.

8. ENFORCEMENT AND REVOCATION

- 8.1 The Director General may at any time revoke this Licence in accordance with the provisions and procedures set out in Section 30 of the Electricity Law. The Director General may also take any action to enforce any condition of this Licence in accordance with the Electricity Law or any direction issued relating to this Licence.

9. MATTERS OF INTEREST TO THE BAILIWICK

- 9.1 The Licensee shall, in connection with its establishment, operation and maintenance of the Electricity Network, take reasonable steps to prevent it from being used in, or in relation to, the commission of offences against the laws of the Bailiwick;

10. TERM AND RENEWAL

- 10.1 The Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the Laws and subject to any revocation or suspension by the Director General, for the Term.
- 10.2 At any time after the eleventh anniversary but prior to the twelfth anniversary of the Licence Commencement Date, the Licensee may serve notice on the Director General requesting a renewal of this Licence.
- 10.3 Within one hundred and eighty days of receipt of the notice under Condition 10.2, or such further period as may be agreed with the Licensee, the Director General shall notify the Licensee whether or not she agrees to a renewal of the Licence subject to the same Conditions or on any modified Conditions, subject to the licensee providing all necessary information to the Director General to enable her to make the notification within the required time.

11. CESSATION

- 11.1 If the licensee proposes to cease to carry on the Generation Business, Conveyance Business or Supply Business it shall give not less than two years notice in writing to the Director General of the proposal and its plans in relation to the cessation. Such cessation shall be effected only with the consent of the Director General and in accordance with any directions given by the Director General in relation thereto and the Licensee shall comply with any such directions.
- 11.2 At any time within three years before the expiry of the License or if the Director General receives a notice under Condition 11.1 or if the Director General has made a decision pursuant to Section 30 of the Electricity Law to suspend or revoke the License, the Director General may after consultation with the Licensee direct it in writing to take such steps as are specified in the direction, being steps that she considers necessary or expedient to ensure the safety, continuity and continuation of electricity Generation, Conveyance and Supply, and the licensee shall comply with any such directions.

12. ENVIRONMENT

- 12.1 The Licensee shall comply with all applicable Environmental Laws and shall, if so requested by the Director General, furnish a statement setting out the manner in which the Licensee proposes to comply with the duties imposed by Environmental Laws. The Licensee shall provide, if requested by the Director General, a report on its compliance with Environmental Laws and shall update such report as requested from time to time by the Director General.

In this condition "**Environmental Laws**" means those laws which are from time to time in force in Guernsey whose purpose is the protection of the environment including the protection of human health, flora, fauna and the eco systems on which they depend.

13. FAIR COMPETITION

13.1 Subject only to the Licensee's exclusive rights as described in Parts IV and V of this Licence, the Licensee shall:

- (a) not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the Generation Business, Conveyance Business and/or Supply Business; and
- (b) comply with any direction issued by the Director General for the purpose of preventing any practice or arrangement that has the object or effect of preventing, restricting or distorting such competition.

14. MISUSE OF DATA

14.1 The Licensee shall not make use of any data of any nature which become available to it directly or indirectly as a result of Generation Business, Conveyance Business or Supply Business in any way which, in the reasonable opinion of the Director General, would unduly prefer the interests of any business carried on by the Licensee or an Associated Company of the Licensee, or place other Electricity Undertakings at an unfair disadvantage.

PART II : CONDITIONS APPLICABLE TO DOMINANT OPERATORS

15. APPLICATION OF CONDITIONS

- 15.1 Where the Director General has decided in accordance with Section 5 of the Electricity Law, that a Licensee has a dominant position in a relevant market, she may determine that the provisions of this Part II apply.

16. SEPARATE ACCOUNTS

- 16.1 Within three months of the Licence Commencement Date, the Licensee shall prepare and maintain accounting records in a form that enables the activities specified in any direction given by the Director General to be separately identifiable, and which the Director General considers to be sufficient to show and explain the transactions of each of those activities. The Director General may provide direction as to the basis and timing of such reports.

17. CROSS SUBSIDISATION

- 17.1 The licensee shall not unfairly cross subsidise or unfairly subsidise the generation, conveyance or supply of electricity.
- 17.2 To enable the Director General to evaluate where any unfair cross-subsidisation or unfair subsidisation is taking place, the Licensee shall record at full cost in its accounting records any material transfer of assets, funds, rights or liabilities between a part and any other part of its business, and between it and any Associated Company, and shall comply with any directions issued by the Director General for this purpose.

18. UNDUE PREFERENCE AND UNFAIR DISCRIMINATION

- 18.1 The Licensee shall not show undue preference to, or exercise unfair discrimination against, any person or electricity undertaking regarding generation, conveyance or supply of electricity.

19. LINKED SALES

- 19.1 The Licensee shall not make it a condition of supplying electricity that a person or Electricity Undertaking should acquire from the Licensee, or any person specified by the Licensee, any electrical appliance, meter or service other than the one that is specifically required by the person concerned, unless the Licensee has notified the Director General of its intention to do so and has satisfied her that there are technical reasons why such a bundling should occur, or that there is a sufficient economic benefit to customers to justify the bundling.
- 19.2 The provisions of Condition 19.1 shall not prevent the Licensee from offering discounts in accordance with any discount scheme which complies with Condition 20.

20. PRICE REGULATED SERVICES

20.1 Where the Licensee intends

- (a) to introduce new prices, any discounts to published prices or any special offers in relation to the generation of electricity, it shall publish notice of same at least 7 days prior to their coming into effect;
- (b) to introduce new prices, any discounts to published prices or any special offers in relation to the conveyance of electricity, it shall publish notice of same at least 3 months prior to their coming into effect;
- (c) to introduce new prices, any discounts to published prices or any special offers in relation to the supply of electricity, it shall publish notice of same at least one month prior to their coming into effect,

or it shall publish notice at such longer periods as may otherwise be required by law and the licensee shall provide full details of same to the Director General at the same time as the publication notice is required.

20.2 The Director General may determine the maximum level of charges the Licensee may apply within a relevant market in which the Licensee has been found to be dominant. A determination may;

- (a) provide for the overall limit to apply to such charges;
- (b) restrict increases in any such charges or to require reductions in them whether by reference to any formula or otherwise; or
- (c) provide for different limits to apply in relation to different periods of time falling within the periods to which any determination applies.

20.3 All published prices, discount schemes and special offers of or introduced by the Licensee shall be transparent and non-discriminatory; all discount schemes shall be cost-justified and all special offers shall be objectively justifiable.

20.4 If the Director General, after consulting the Licensee and such other persons as she may determine, is satisfied that any published price, discount scheme or special offer is in breach the Regulation Law, Electricity Law or this Licence, the Director General may, by issuing a direction, require the Licensee to bring the relevant prices, discount schemes or special offers into conformity with the Laws and/or the requirements of this Licence

PART III : GENERATION

21. SCOPE OF APPLICATION

- 21.1 The Generation Licence is subject to the conditions in this Part III.
- 21.2 The Conveyance Licence and the Supply Licence are not subject to the Conditions in Part III.
- 21.3 The Generation Licence is non-exclusive.

22. SERVICE LEVELS

- 22.1 The Licensee shall develop and operate the Generation Business so as progressively to achieve service levels in line with international best practice and such other benchmarks as the Director General may direct from time to time.
- 22.2 Without limiting the requirements of Condition 22.1, within four months of the Licence Commencement Date the Licensee shall submit to the Director General a plan setting out the target levels it will achieve in accordance with Condition 22.1 for the Generation Business (to be known as the “Electricity Generation Development Plan”) and a service monitoring plan (to be known as the “Electricity Generation Monitoring Plan”) which provides for accurate measurement of each of the target levels set out in the Electricity Generation Development Plan, together, “the Plans”.
- 22.3 The Plans will describe:
 - (a) how actual performance will be monitored;
 - (b) the process for the collection and analysis of suitable data; and
 - (c) the procedures for internal review and performance improvement planning by the Licensee.
- 22.4 The Director General may direct the Licensee to update and resubmit the Plans from time to time.
- 22.5 The Director General may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.
- 22.6 The Director General may include as a condition in this Licence the targets specified by the Licensee in the Plan and the Licensee shall be deemed to be in breach of its Licence if the target levels are not achieved.
- 22.7 Within thirty days of the end of each six month period during the Term, the Licensee shall provide the Director General with a written report in a form required by the Director General on its achievements under the Development Plans during the preceding six month period, as set out in Condition 22.2.
- 22.8 The Licensee shall comply with any directions issued by the Director General from time to time, regarding any other quality of service indicators and measurement methods for the Generation Business and shall, as and when required, supply to the Director General in a form specified by her, the results of its measurements of actual performance against any quality of service indicators and measurements so specified, and the Director General may publish or require publication of such information as she considers appropriate.

22.9 The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures which the Licensee uses to measure or to track the provision of the Generation Business or for the calculation of related charges.

23. COMPLIANCE WITH TECHNICAL AND OPERATIONAL CODES

23.1 The Licensee shall comply with the provisions of any technical and operational codes insofar as applicable to it.

23.2 The Director General may, following consultation with the Licensee (and, in relevant circumstances, any Electricity Undertakings liable to be materially affected thereby and such other Electricity Undertakings and such other parties as the Director General shall consider appropriate), issue directions relieving the Licensee of its obligation under paragraph 23.1 in respect of such parts of any approved technical and operational codes to such extent as may be specified in those directions.

24. CENTRAL DISPATCH AND MERIT ORDER

24.1 The Licensee shall submit all available Generation Units forming part of a generating station which is capable of providing 500 kilowatts or more to the electricity network to central despatch by the Conveyance Licensee.

24.2 The Licensee shall, at all times and in such manner as may be provided under any approved technical and operational codes, and in accordance with any directions issued by the Director General provide the Conveyance Licensee with all information reasonably required by it to enable it, in conformity with the conditions of the conveyance licence:

- (a) to operate the system of central despatch;
- (b) to operate the merit order system; and
- (c) to prepare the statement referred to in Condition 35.4 in Part IV of this Licence.

24.3 The Licensee hereby acknowledges that the information referred to in Condition 24.2 and in particular 24.2(c) above, may be disclosed by the Conveyance Licensee to third parties pursuant to the Conveyance Licensee's obligations under Condition 35.4 of Part IV of this licence.

24.4 The Licensee may, with the prior written agreement of the Director General, withhold from providing this information or may provide the information in aggregated form as directed by the Director General, where the Director General considers that the disclosure of the information referred to in condition 24.2(c) by the Conveyance Licensee to third parties would seriously and prejudicially affect the commercial interests of the Licensee.

24.5 In this Condition:

"available" in relation to any Generation Unit, means a Generation Unit which is available for despatch in accordance with any approved technical and operational codes and **"availability"** shall be construed accordingly;

"central despatch" means the process of scheduling and issuing direct instructions for despatch of available Generation Units by the Conveyance Licensee under the conditions of the Conveyance Licence; and

"merit order system" means a system, establishing economic precedence of electricity from available Generation Units to be delivered to the electricity network, operated by the Conveyance Licensee under the conditions of the Conveyance Licence.

PART IV : CONVEYANCE

25. SCOPE OF APPLICATION OF PART IV

- 25.1 The Conveyance Licence is subject to the Conditions in this Part IV.
- 25.2 The Generation Licence and the Supply Licence are not subject to the Conditions in Part IV.
- 25.3 Notwithstanding the rights of any holder of an exemption granted by direction under section 1(2) of the Electricity Law to convey electricity without licence, the Licensee shall have the exclusive right to convey electricity in the Authorised Area for the first ten years of the Term. The Director General may extend or amend the duration of this exclusive right if so directed by States Direction under the Regulation Law.”¹
- 25.4 The “Authorised Area” is the island of Guernsey.

26. SERVICE LEVELS

- 26.1 The Licensee shall develop and operate the Conveyance Business so as progressively to achieve service levels in line with international best practice and such other benchmarks as the Director General may direct from time to time.
- 26.2 Without limiting the requirements of Condition 26.1, within four months of the Licence Commencement Date the Licensee shall submit to the Director General a plan setting out the target levels it will achieve in accordance with Condition 26.1 for the Conveyance Business (to be known as the “Electricity Conveyance Development Plan”) and a service monitoring plan (to be known as the “Electricity Conveyance Monitoring Plan”) which provides for accurate measurement of each of the target levels set out in the Electricity Conveyance Development Plan, together, “the Plans”.
- 26.3 The Plans will describe:
- (a) how actual performance will be monitored;
 - (b) the process for the collection and analysis of suitable data; and
 - (c) the procedures for internal review and performance improvement planning by the Licensee.
- 26.4 The Director General may direct the Licensee to update and resubmit the Plans from time to time.
- 26.5 The Director General may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.
- 26.6 The Director General may include as a condition in this Licence the targets specified by the Licensee in the Plan and the Licensee shall be deemed to be in breach of its Licence if the target levels are not achieved.
- 26.7 Within thirty days of the end of each six month period during the Term, the Licensee shall provide the Director General with a written report in a form required by the Director General on

¹ This condition was modified on 11th February, 2003 in accordance with document OUR 03/05: Notice of Modification to the Licence issued to Guernsey Electricity Ltd under Section 2(1) of the Electricity (Guernsey) Law, 2001.

its achievements under the Development Plans during the preceding six month period, as set out in Condition 26.2.

- 26.8 The Licensee shall comply with any directions issued by the Director General from time to time, regarding any other quality of service indicators and measurement methods for the Conveyance Business and shall, as and when required, supply to the Director General in a form specified by her, the results of its measurements of actual performance against any quality of service indicators and measurements so specified, and the Director General may publish or require publication of such information as she considers appropriate.
- 26.9 The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures which the Licensee uses to measure or to track the provision of the Conveyance Business or for the calculation of related charges.

27. DEVELOPMENT OF AND COMPLIANCE WITH TECHNICAL AND OPERATIONAL CODES

- 27.1 The Licensee shall, in consultation with any Electricity Undertakings liable to be materially affected thereby and such other Electricity Undertakings as the Director General shall consider appropriate, develop and implement, at the request of the Director General, such technical and operational codes as the Director General may, from time to time, direct.
- 27.2 The Licensee shall, in consultation with any Electrical Undertakings liable to be materially affected thereby and such other Electricity Undertakings as the Director General shall consider appropriate, periodically review (including at the request of the Director General) such technical and operational codes as are developed and implemented by the Licensee pursuant to condition 27.1.
- 27.3 Following the development of any technical and operational codes pursuant to paragraph 27.1 and the review of any such codes, the Licensee shall send to the Director General:
- (a) a report on the outcome of any consultation and of the review as the case may be; and
 - (b) any proposed revisions to any such code from time to time as the Licensee (having regard to the outcome of any consultation or review) reasonably thinks necessary; and
 - (c) any written representations or objections from any Electricity Undertakings arising during the consultation process and not withdrawn.
- 27.4 Having considered the information provided pursuant to paragraph 27.3 and such other information as the Director General considers appropriate, the Director General may direct the Licensee to change any technical and operational codes developed pursuant to paragraph 27.1 and the Licensee shall comply with such directions.
- 27.5 The Licensee shall give or send a copy of all approved technical and operational codes (and any revisions thereto) developed and implemented by the Licensee pursuant to this Condition to:
- (a) the Director General; and
 - (b) any person requesting the same, and

at the same time the Licensee shall make this information available generally by way of publication on the Licensee's website.

- 27.6 The Licensee may make a charge for any copy of any code given or sent pursuant to paragraph 27.5(b) of an amount which shall not exceed any amount specified for the time being for the purposes of this Condition in directions issued from time to time by the Director General.
- 27.7 The Licensee shall comply with the provisions of any approved technical and operational codes insofar as applicable to it.
- 27.8 The Director General may, following consultation in relevant circumstances with any Electricity Undertakings liable to be materially affected thereby and such other Electricity Undertakings and other parties as the Director General shall consider appropriate, issue directions relieving the Licensee of its obligation under paragraph 27.7 in respect of such part or parts of any approved technical and operational codes to such extent as may be specified in those directions.

28. ECONOMIC PURCHASING OF GOODS, ASSETS AND SERVICES

- 28.1 In contracting or arranging for the provision of goods, assets and services required to enable the Licensee to carry out the Conveyance Business, the Licensee shall purchase or otherwise acquire such goods, assets and services from the most economical sources available to it, having regard to the quantity and nature of the goods, assets and services required to enable it to discharge its obligations under the Electricity Law and this Licence and to the diversity, number and reliability of such goods, assets and services at that time available for purchase or other acquisition.
- 28.2 Any contracts or arrangements for the purchase of goods, assets and services from an associated company or a related undertaking shall be on arm's length terms.

29. CONNECTION TO THE CONVEYANCE SYSTEM - REQUIREMENT TO OFFER TERMS

- 29.1 The Licensee shall, subject to paragraphs 29.3 and 29.4:
- (a) offer to enter into an agreement to provide a connection to the Conveyance System with any Electricity Undertaking who has made an application for connection to the Conveyance System; and
 - (b) offer to enter into an agreement for the modification of a connection to the Conveyance System with any Electricity Undertaking who has made an application for modification of a connection to the Conveyance System.

- 29.2 The Licensee shall, subject to paragraphs 29.3 and 29.4, offer terms for an agreement in accordance with paragraph 29.1 as soon as practicable and, in any event, not more than three months after receipt by the Licensee of an application containing all such information as the Licensee may reasonably require for the purposes of formulating the terms of its offer.
- 29.3 The Licensee shall not be obliged pursuant to this Condition to offer to enter into any agreement where it has demonstrated to the Director General that, by reason of the capacity of the Conveyance System and the use made or reasonably expected to be made of it, the Licensee would be required to expand or reinforce the capacity of the Conveyance System and where it would not, having regard to all the circumstances, be in the public interest for the Licensee to undertake such expansion or reinforcement.
- 29.4 The Licensee shall not enter into any agreement with any Electricity Undertaking if to do so would be likely to involve the Licensee:
- (a) in breach of any approved technical or operational codes; or
 - (b) in breach of the Electricity Law or any regulations made under the Electricity Law; or
 - (c) in breach of any enactment relating to safety or standards applicable to the transmission system; or
 - (d) in breach of the Conditions.
- 29.5 Where the Licensee refuses to enter into an agreement with any Electricity Undertaking in accordance with paragraphs 29.3 and 29.4, the Licensee shall as soon as practicable and, in any event, not more than one month after receipt by the Licensee of an application from that Electricity Undertaking, notify that Electricity Undertaking of the refusal, specifying the reasons for refusal.

30. CONNECTION TO THE CONVEYANCE SYSTEM - FUNCTIONS OF THE DIRECTOR GENERAL

- 30.1 If, after a period which appears to the Director General to be reasonable for the purpose, the Licensee has failed to enter into an agreement with any Electricity Undertaking entitled or claiming to be entitled thereto pursuant to an application in accordance with Condition 29, the Director General shall, on the application of such Electricity Undertaking or the Licensee, settle any terms of the agreement in dispute between the Licensee and the Electricity Undertaking in question in such manner as appears to the Director General to be reasonable.
- 30.2 If the Electricity Undertaking wishes to proceed on the basis of the agreement as settled by the Director General, the Licensee shall forthwith enter into and implement such agreement in accordance with its terms.
- 30.3 If either party to an agreement for connection to, or modification of a connection to, the Conveyance System proposes to vary the contractual terms of such agreement in any manner provided for under such agreement, the Director General shall, at the request of the Licensee or the other party to such agreement, settle any dispute relating to such variation in such manner as appears to the Director General to be reasonable.

31. BASIS OF CHARGES FOR CONNECTION TO AND USE OF THE CONVEYANCE SYSTEM

- 31.1 The Licensee shall, as soon as practicable and, in any event, within three months after this licence has come into force, prepare a statement in a form approved by the Director General setting out the basis upon which the charges for connection to and use of the Conveyance System in respect of generation and supply will be made.
- 31.2 The Licensee may periodically review and amend the information set out in and, with the approval of the Director General, alter the form of the statement prepared in accordance with condition 31.1 and shall, at least once in every year this licence is in force, and at such other times as the Director General may direct, review and amend such statement in order that the information set out in the statement shall continue to be accurate in all material aspects.
- 31.3 Following the preparation of the statement pursuant to paragraph 31.1 and any review pursuant to paragraph 31.2, the Licensee shall send to the Director General:
- (d) a copy of the statement and report on the outcome of any review as the case may be;
 - (e) any proposed revisions to the statement from time to time as the Licensee reasonably thinks necessary; and
 - (f) any other information that the Director General may request in relation to the statement or review.
- 31.4 Having considered the information provided pursuant to paragraph 31.3 and such other information as the Director General considers appropriate, the Director General may direct the Licensee to change any matters in the statement and the Licensee shall comply with such directions.
- 31.5 The Licensee shall give or send a copy of the statement prepared in accordance with condition 31.1 or (as the case may be) of the latest revision of such statement in accordance with condition 31.2 to any Electricity Undertaking who requests a copy of such statement.
- 31.6 The Licensee may make a charge for any statement given or sent pursuant to condition 31.5 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Director General from time to time for the purposes of this Condition.

32. PROVISION OF INFORMATION TO OTHER LICENSEES

- 32.1 The Licensee shall furnish to generation licensees and supply licensees, in such manner and at such times as may be reasonably required, such information as may be reasonably required by those licensees in order to ensure the secure and efficient operation, co-ordinated development and inter-operability of the electricity network.

33. SYSTEM CAPACITY

- 33.1 The Licensee shall, on an annual basis, prepare and publish a statement, in a form approved by the Director General, showing, in respect of each of the five succeeding financial years, circuit capacity, forecast power flows and loading on each part of the Conveyance System and fault levels for each conveyance node, together with:
- (a) information on the status of conveyance capacity and the anticipated future requirements of conveyance capacity;
 - (b) a commentary prepared by the Licensee indicating the Licensee's views as to those parts of the conveyance system most suited to new connections; and

- (c) such other matters as shall be specified in directions issued by the Director General from time to time for the purposes of this Condition;

provided that the Director General may, upon application of the Licensee, relieve the Licensee from the obligation to prepare any such statement in respect of any period and any part or parts of the Conveyance System specified in directions issued to the Licensee by the Director General from time to time for the purposes of this Condition.

- 33.2 The Licensee may, with the prior agreement of the Director General, omit from any such statement (excluding the copy provided to the Director General) any details as to circuit capacity, power flows, loading or other information, disclosure of which would, in the view of the Director General, seriously and prejudicially affect the commercial interests of the Licensee or any third party.
- 33.3 The Licensee may periodically revise the information set out in and, with the approval of the Director General, alter the form of the statement prepared in accordance with condition 33.1 and shall, at least once in every year this licence is in force, and at such other intervals, as the Director General may direct, revise and republish such statement in order that the information set out in the statement shall continue to be accurate in all material respects.
- 33.4 The Licensee shall send a copy of the statement prepared in accordance with paragraph 1 and of each revision of such statement in accordance with condition 33.3 to the Director General and the Director General may direct the Licensee to change any matters in the statement and the Licensee shall comply with such directions.
- 33.5 The Licensee shall
 - (a) give or send a copy of the statement prepared in accordance with condition 33.1 or (as the case may be) of the latest revision of such statement in accordance with condition 33.3 approved by the Director General pursuant to such paragraph to any person who requests a copy of such statement and
 - (b) at the same time the Licensee shall make this information available generally by way of publication on the Licensee's website.
- 33.6 The Licensee may make a charge for any statement given or sent pursuant to condition 33.5(b) of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Director General from time to time for the purposes of this Condition.

34. CENTRAL DESPATCH AND MERIT ORDER

- 34.1 The Licensee shall schedule and issue direct instructions for the despatch in accordance with paragraphs 34.1, 34.2, 34.4 and 34.5 of all available Generation Units of each Generation Business in Guernsey which:
 - (a) are required to be subject to such scheduling and despatch instructions under the terms of the licence or exemption of the Generation Business, as the case may be; or
 - (b) are agreed by any such Generation Business to be subject to such scheduling and despatch instructions.

- 34.2 The Licensee shall establish and shall operate a merit order for Generation Units subject to central despatch.
- 34.3 The Licensee shall schedule and issue direct instructions for the despatch of Generation Units as are available to generate electricity:
- (a) in ascending order of relevant prices;
 - (b) in accordance with any approved technical and operational codes; and
 - (c) thereafter, taking account of the factors referred to in paragraph 34.4 as will in aggregate be sufficient to match at all times (to the extent possible having regard to the availability of Generation Units) demand forecast taking account of information provided by Electricity Undertakings, together with an appropriate margin of reserve.
- 34.4 The factors referred to in condition 34.3 include:
- (a) forecast demand;
 - (b) constraints from time to time imposed on the Conveyance System or any part or parts thereof;
 - (c) the dynamic operating characteristics of available Generation Units;
 - (d) conveyance losses;
 - (e) any approved operating security standard; and
 - (f) other matters provided for in any approved technical and operational codes.
- 34.5 Having regard to information provided to it by Electricity Undertakings (including as to forecast levels of electricity demand and availability of generation capacity) and to the requirements of any approved system security standards, the Licensee shall undertake operational planning:
- (a) for the matching of generation output (including a reserve of generation to provide a security margin of generation availability) with forecast demand after taking into account inter alia:
 - (i) unavailability of Generation Units;
 - (ii) constraints from time to time imposed by technical limitations on the Conveyance System or any part or parts thereof; and
 - (iii) electricity delivered to the Conveyance System from Generation Units not subject to central despatch; and
 - (b) consistently with sub-paragraph (a) above, in accordance with any approved technical and operational codes, for the release of parts of the Conveyance System for maintenance, repair, extension or reinforcement.
- 34.6 The Licensee shall maintain for a minimum period of six years such records of:
- (a) Generation Units available or declared as available;
 - (b) Generation Units scheduled for despatch or despatched;

- (c) Ancillary Services called for by the Licensee and provided;
- (d) kilowatt hours of electricity taken from the Conveyance System by any Electricity Undertaking.

The Director General may, on the application of the Licensee and after consultation with Electricity Undertakings liable to be materially affected thereby and with such other Electricity Undertaking and parties as she shall consider appropriate, relieve the Licensee from its obligations under this paragraph to the extent specified in directions (which may be subject to conditions) which she shall from time to time issue to the Licensee for the purposes of this Condition.

34.7 The Licensee shall provide to the Director General such information as the Director General shall request concerning the central despatch and merit order system or any aspect of its operation.

34.8 In this Condition:

"**available**" in relation to any generation unit means a generation unit which is available for despatch in accordance with any approved technical and operational codes and "**availability**" shall be construed accordingly.

"**central despatch**" means the process of scheduling and issuing direct instructions by the Licensee referred to in paragraph 34.1.

"**relevant price**" means the price at which the Licensee is able to procure (or the prices that are offered for) the generation and delivery of electricity into the Conveyance System in respect of any relevant period.

35. ECONOMIC PURCHASING OF ELECTRICITY AND ANCILLARY SERVICES

35.1 The Licensee shall contract for electricity and Ancillary Services at the best effective price reasonably obtainable having regard to the sources available.

35.2 In determining the effective price at which electricity and Ancillary Services are contracted for by the Licensee, regard shall be had to any payments made or received or to be made or received for the grant of or pursuant to any Power Purchase Agreement.

35.3 In the discharge of its obligations under paragraph 35.1 above, the Licensee may additionally have regard to any considerations liable to affect its ability to discharge its obligations under this licence in the future, including the future security, reliability and diversity of sources of electricity available for purchase.

35.4 In respect of any 28 day period or periods, the Licensee shall give or send to any person requesting it, a statement showing:

- (a) the relevant prices (showing separately prices for start up, no-load heat and incremental heat rates) of each Generation Unit available to the Licensee in terms of or pursuant to a Power Purchase Agreement in each period for which prices are so available over the preceding 28 days for despatch; and
- (b) declared (and, where different, actual) availability of Generation Units available from or offered by any Generation Business on the terms of or pursuant to a Power Purchase Agreement which the Licensee is party to for despatch over the preceding 28 days;

The Director General may issue directions to the Licensee on the statement, its contents, and/or the form and frequency of its availability from time to time and the Licensee shall comply with such directions.

35.5 The Licensee may make a charge for the information given or sent pursuant to paragraph 35.4 of an amount which shall not exceed the maximum amount specified in directions issued from time to time by the Director General for the purposes of this Condition.

35.6 In this Condition:

"**available**" in relation to any generation unit means a Generation Unit which is available for despatch in accordance with any approved technical and operational codes and "**availability**" shall be construed accordingly;

"**relevant price**" means the price at which the Licensee is able to procure (or the prices that are offered for) the generation and delivery of electricity into the conveyance system in respect of any relevant period;

"**Ancillary Services**" means services required for system support in accordance with approved technical and operational codes.

PART V : PUBLIC SUPPLY

36. SCOPE OF APPLICATION

- 36.1 The Public Supply Licence is subject to the Conditions in Part V.
- 36.2 The Generation Licence and the Conveyance Licences are not subject to the Conditions in Part V.
- 36.3 Notwithstanding the rights of any holder of an exemption granted by direction under section 1(2) of the Electricity Law to supply electricity without licence, the Licensee shall have the exclusive right to supply electricity in the Authorised Area for the first ten years of the Term. The Director General may extend or amend the duration of this exclusive right if so directed by States Direction under the Regulation Law.²
- 36.4 The “Authorised Area” is the island of Guernsey.

37. SERVICE LEVELS

- 37.1 The Licensee shall develop and operate the Public Supply Business so as progressively to achieve service levels in line with international best practice and such other benchmarks as the Director General may direct from time to time.
- 37.2 Without limiting the requirements of Condition 37.1, within four months of the Licence Commencement Date the Licensee shall submit to the Director General a plan setting out the target levels it will achieve in accordance with Condition 37.1 for the Public Supply Business (to be known as the “Electricity Supply Development Plan”) and a service monitoring plan (to be known as the “Electricity Supply Monitoring Plan”) which provides for accurate measurement of each of the target levels set out in the Electricity Supply Development Plan, together, “the Plans”.
- 37.3 The Plans will describe:
- (a) how actual performance will be monitored;
 - (b) the process for the collection and analysis of suitable data; and
 - (c) the procedures for internal review and performance improvement planning by the Licensee.

² This condition modified on 11th February, 2003 in accordance with document OUR 03/05: Notice of Modification to the Licence issued to Guernsey Electricity Ltd under Section 2(1) of the Electricity (Guernsey) Law, 2001.

- 37.4 The Director General may direct the Licensee to update and resubmit the Plans from time to time.
- 37.5 The Director General may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.
- 37.6 The Director General may include as a condition in this Licence the targets specified by the Licensee in the Plan and the Licensee shall be deemed to be in breach of its Licence if the target levels are not achieved.
- 37.7 Within thirty days of the end of each six month period during the Term, the Licensee shall provide the Director General with a written report in a form required by the Director General on its achievements under the Plans during the preceding six month period, as set out in Condition 37.2.
- 37.8 The Licensee shall comply with any directions issued by the Director General from time to time, regarding any other quality of service indicators and measurement methods for the Supply Business and shall, as and when required, supply to the Director General in a form specified by her, the results of its measurements of actual performance against any quality of service indicators and measurements so specified, and the Director General may publish or require publication of such information as she considers appropriate.
- 37.9 The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures which the Licensee uses to measure or to track the provision of the Supply Business or for the calculation of related charges.

38. COMPLIANCE WITH TECHNICAL AND OPERATIONAL CODES

- 38.1 The Licensee shall comply with the provisions of any approved technical and operational codes insofar as applicable to it.
- 38.2 The Director General may, following consultation with the Conveyance Licensee (and, in relevant circumstances, any Electricity Undertakings liable to be materially affected thereby and such other Electricity Undertakings as the Director shall consider appropriate), issue directions relieving the Licensee of its obligation under paragraph 38.1 in respect of such parts of any approved technical and operational codes to such extent as may be specified in those directions.

39. ECONOMIC PURCHASING OF GOODS, ASSETS AND SERVICES

- 39.1 In contracting or arranging for the provision of goods, assets and services required to enable the Licensee to carry out its licensed activities, the Licensee shall purchase or otherwise acquire such goods, assets and services from the most economical sources available to it, having regard to the quantity and nature of the goods, assets and services required to enable it to discharge its obligations under the Act and this licence and to the diversity, number and reliability of such goods, assets and services at the time available for purchase or other acquisition.
- 39.2 Any contracts or arrangements for the purchase of goods, assets and services from an Associated Company shall be on arm's length terms

40. SECURITY AND SAFETY OF SUPPLY

- 40.1 The Licensee shall make arrangements to keep each of its customers informed of the postal address and telephone number of an enquiry service established and operated for the purposes of receiving reports from any person about any matter or incident that:
- (a) causes danger or requires urgent attention, or is likely to cause danger or require urgent attention, in relation to the supply or supply of electricity; or
 - (b) affects or is likely to affect the security, availability or quality of service of the Licensee's supply system through which the relevant customer is supplied with electricity.
- 40.2 The enquiry service referred to at paragraph 40.1 must be:
- (a) provided without charge to the customer;
 - (b) available to receive and process telephone reports and enquiries at all times on every day of each year; and
 - (c) operational no later than such date as the Director General shall specify.
- 40.3 The Licensee may discharge the duty imposed by paragraph 40.1 by providing the requisite information to each of its customers:
- (a) on the occasion of the customer first commencing to take a supply from the Licensee; and thereafter
 - (b) either:
 - (i) where bills or statements in respect of charges for the supply of electricity are rendered to the customer, on a quarterly basis (it being sufficient that the information is included on or with any bill or statement); or
 - (ii) in any other case, on an annual basis;and by publishing such information in such manner as will, in the opinion of the Licensee, secure adequate publicity for it.
- 40.4 The Licensee shall, in so far as is practicable, take steps to inform each of its customers of any change to the address or telephone number of the service referred to at paragraph 40.1 prior to such change becoming effective.

41. PROVISION OF INFORMATION ABOUT THEFT, DAMAGE AND METER INTERFERENCE

- 41.1 Where a person other than the Licensee is the owner of any electric plant, electric lines or meter the Licensee shall promptly inform that person of any incident where it has reason to believe:
- (a) there has been damage to such electric plant, electric line or meter; or
 - (b) there has been interference with the meter to alter its register or prevent it from duly registering the quantity of electricity supplied.

41.2 At the same time as informing the owner of any electric plant, electric lines or meter of any of the incidents referred to in condition 41.1, the Licensee shall also inform, by way of written notice, the Director General.

42. INFORMATION GIVEN TO CUSTOMERS

42.1 The Licensee shall keep each of its customers (save insofar as the customer receives an unmetered supply) informed of the amount of electricity which, since the customer was last informed, its records show as having been consumed by that customer:

- (a) according to the meter through which the customer is supplied; or
- (b) where no meter reading is available, according to the estimate of the Licensee.

42.2 The Licensee may discharge its duties under paragraph 42.1 by providing the relevant information on or with each bill or statement given to a customer in respect of charges for the supply of electricity, and annually to each customer to whom no such bills or statements are rendered.

43. PREPARATION, REVIEW OF AND COMPLIANCE WITH CODES OF PRACTICE

43.1 This Condition applies to each of the Codes of Practice required to be prepared by the Licensee pursuant to Conditions 44 to 51 of this licence (each a "Code" and together "the Codes")

43.2 The Licensee may review a Code and the manner in which it has been operated with a view to determining whether any modification should be made to that Code or to the manner of its operation, and shall do so whenever directed to by the Director General.

43.3 The Director General may issue directions to the Licensee in relation to a Code, specifying any amendments or modifications (including deletions) to a Code and the Licensee shall comply with such directions. In addition the Director General may issue directions to the Licensee to provide information to the Director General or to notify the Director General of matters affecting the Licensee's customers where such matters are relevant to the issues addressed by the Codes.

43.4 The Licensee shall:

- (a) as soon as practicable following the preparation of a Code or any revision made to it, send to the Director General a copy of the Code or such revision in the form approved by the Director General;
- (b) draw to the attention of its customers the existence of the Codes and each substantive revision of each of them and how they may inspect or obtain a copy of the Codes in their latest form;
- (c) make a copy of the Codes available for inspection by members of the public at each of the relevant premises during normal opening hours;
- (d) give or send free of charge a copy of the Codes (as from time to time revised) to any person who requests it.

43.5 Subject to paragraph 43.7, the Licensee shall ensure that it complies with the terms of and the arrangements or procedures (as the case may be) as are contained in or described by each Code to which this Condition applies or any revision to such Codes approved by the Director General.

43.6 The Licensee shall provide the Director General with all assistance reasonably necessary to enable the Director General to monitor the implementation and operation of any Code and this assistance shall include, without limitation, permitting the Director General access to relevant documentation held by the Licensee.

43.7 The Director General may (following consultation with the Licensee and such other parties as the Director General considers appropriate) issue directions relieving the Licensee of any of its obligations under Conditions 44 to 51 and this Condition 43 to such an extent as may be specified in those directions and subject to such terms and conditions as the Director General thinks fit.

43.8 In this Condition:

"relevant premises" means any premises of or occupied by the Licensee or any associated company or related undertaking of the Licensee open to customers in the normal course of the Licensee's business.

44. CODE OF PRACTICE ON PROCEDURES WITH RESPECT TO ACCESS TO PREMISES

44.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice setting out the principles and procedures the Licensee will follow in respect of any person acting on its behalf who requires access to customers' premises.

44.2 The Code of Practice shall include procedures calculated to ensure that persons visiting customers' premises on behalf of the Licensee:

- (a) possess the skills necessary to perform the required duties;
- (b) are readily identifiable to members of the public;
- (c) use passwords provided for vulnerable customers;
- (d) are appropriate persons to visit and enter customers' premises; and
- (e) are able to inform customers, on request, of a contact point for help and advice they may require in relation to the supply of electricity.

45. CODE OF PRACTICE ON PAYMENT OF BILLS

45.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice concerning the payment of electricity bills by tariff customers, and including appropriate guidance for the assistance of such tariff customers who may have difficulty in paying such bills.

46. CODE OF PRACTICE FOR DEALING WITH TARIFF CUSTOMERS IN DEFAULT

46.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice setting out the methods for dealing with tariff customers who, through misfortune or inability to cope with electricity supplied on credit terms, incur obligations to pay for electricity so supplied which they find difficulty in discharging including, in particular, methods for:

- (a) distinguishing such customers from others in default;
- (b) detecting failures by such customers to comply with arrangements entered into for paying by instalments charges for electricity supplied;
- (c) making such arrangements so as to take into account the customer's ability to comply with the arrangements referred to in paragraph (b);
- (d) ascertaining, with the assistance of other persons or organisations, the ability of customers to comply with such arrangements;
- (e) providing for such a customer who has failed to comply with such arrangements a prepayment meter where safe and practical to do so; and
- (f) calibrating any prepayment meter so provided so as to take into account the customer's ability to pay any of the charges due from the customer under such arrangements in addition to the other charges lawfully being recovered through the prepayment meter.

46.2 The Licensee shall, within three months after the Code of Practice has been put in place, establish procedures for monitoring its general operation of the arrangements set out in the Code of Practice and compliance therewith, which shall be submitted to the Director General.

47. CODE OF PRACTICE FOR CONNECTIONS AND DISCONNECTIONS

47.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice setting out the procedure for connections to and disconnections from the Licensee's supply system.

48. CODE OF PRACTICE FOR THE PROVISION OF SERVICES FOR TARIFF CUSTOMERS WHO ARE DISABLED, CHRONICALLY SICK OR OF PENSIONABLE AGE

48.1 The Licensee shall make arrangements for tariff customers who are disabled, chronically sick or of pensionable age, by which special services in the following respects can be made available where appropriate:

- (a) providing where practicable special controls and adaptors for electrical appliances and meters (including prepayment meters) and repositioning meters;
- (b) providing special means of identifying officers authorised by the Licensee; and
- (c) giving advice on the use of electricity.

48.2 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice describing the special services available and any charges made or to be made to such customers described in paragraph 48.1 above.

49. CODE OF PRACTICE FOR CUSTOMER COMPLAINT HANDLING PROCEDURE

49.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice establishing a procedure for handling complaints from customers about the manner in which the Licensee conducts the Supply Business and any procedure established in accordance with this Condition shall specify the periods within which it is intended that different descriptions of complaint should be processed and resolved.

50. CODE OF PRACTICE FOR THE READING OF CUSTOMERS' METERS

50.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice setting out the methods for the reading of meters of customers, in particular, methods for:

- (a) ensuring the person reading the meter and any associated appliance possesses the appropriate expertise;
- (b) inspecting the meter for any evidence of deterioration which might affect its function or safety;
- (c) ensuring that the premises which the person reading the meter attends, are left no less secure by reason of the attendance;

- (d) ensuring that the Licensee shall make good or pay compensation for any damage to property caused by the person reading the meter;
- (e) reporting the reading of the meter;
- (f) adjusting of charges for erroneous meter readings.

51. EFFICIENT USE OF ELECTRICITY

51.1 The Licensee shall, within three months of this licence coming into force, prepare a Code of Practice setting out the ways in which the Licensee will make available to customers such guidance on the efficient use of electricity as will, in the opinion of the Licensee, enable them to make informed judgments on measures to improve the efficiency with which they use the electricity supplied to them.

52. ADDITIONAL CONSUMER PROTECTION CONDITIONS

- 52.1 The Licensee will submit a written quarterly report to the Director General outlining any complaints made against the Licensee from customers and how these complaints have been rectified.
- 52.2 The Licensee agrees to participate in good faith in any dispute resolution procedure established by the Director General for the resolution of disputes that can not be settled through the Codes outlined in Conditions 44 to 51.
- 52.3 The Director General may require the licensee to set up, at its own expense a User Council or Councils for the specific purpose of obtaining and representing the views of customers.

53. RECORD OF AND REPORT ON LICENSEE'S PERFORMANCE

- 53.1 The Licensee shall keep a record of its general operation of the arrangements mentioned in Conditions 44 to 51 and, if the Director General so directs in writing, of its operation of any particular cases specified, or of a description specified, by her.
- 53.2 The Licensee shall, from time to time as required by the Director General, provide to the Director General such of the information contained in the records prepared in accordance with paragraph 1 as the Director General may request in writing.
- 53.3 As soon as is reasonably practicable after the end of each calendar year, the Licensee shall submit to the Director General a report dealing with the matters mentioned in paragraph 53.1 in relation to that year and shall:
 - (a) publish the report so submitted in such manner as will, in the reasonable opinion of the Licensee, secure adequate publicity for it; and
 - (b) send a copy of it free of charge to any person requesting the same;

except that, in performing its obligations under conditions 53.1(a) and (b), the Licensee shall exclude from the report such information as appears to it to be necessary or expedient to ensure that, save where they consent, individual customers referred to therein cannot readily be identified.

53.4 The report shall be presented, so far as is reasonably practicable, in a standard form designated by the Director General for the purposes of this Condition.